



**Iowa Department of Natural Resources
Environmental Services Division**

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GASOLINE IN IOWA UP 15 PERCENT IN THE LAST MONTH

DES MOINES — Gasoline prices have continued to climb higher into uncharted territory in Iowa as supply issues continue across the state into mid-May. Record unscheduled refinery shutdowns and lower refinery output in 2007 have caused supply chain issues while gasoline demand increases with summer approaching.

Recent outages in Wynnewood, Okla., Great Bend, Kan., Houston, Texas, Cenex Laurel, Mont., and low output from the large Whiting Refinery in northwest Indiana, continue to complicate supply issues. Reports of very low gasoline supply in Iowa, Arkansas, Colorado, Utah, and in other parts of the country have led to reports of bagged pumps, prolonged supplier allocations and some convenience store shut downs due to lack of product.

Iowa gasoline prices in May have surpassed all other gasoline price records. Prices are at a record high in Iowa, averaging \$3.17 per gallon of 10 percent ethanol blended mid-grade gasoline; a 17 percent increase from the April price of \$2.71 per gallon for the same blend. Iowa prices are \$0.06 above the national average of \$3.11 per gallon, mostly because of the supply snafu and Iowa's location in the middle of the country far from oil refinery centers. Diesel fuel is down 2.4 percent this month at \$2.92 per gallon, \$0.07 lower than the \$2.99 price per gallon in April.

Iowa Governor Chet Culver signed on to a letter with governors from states across the country to request that Congress initiate an inquiry into escalating gas prices. In a press release issued May 16, Culver said, "Working Iowa families are struggling to keep up with these dramatic spikes in gasoline costs. It's not even Memorial Day and the cost of gas is well over \$3 per gallon - with no real explanation from the industry on why costs keep rising. Now more than ever it is clear we need to wean ourselves off foreign oil, and there is no better positioned state than Iowa to do just that. E-85 is well below \$3 per gallon and I encourage Iowans to explore flex-fuel options as we continue to work to find new and efficient alternative fuels."

Individuals are also taking action as a nationwide gasoline boycott for May 15 was attempted to be organized through blogs and popular Web sites like Myspace.com.

"The higher gas prices are affecting everyone and everything, right down to food prices, but I think that we can put to rest for now the notions of \$4.00 per gallon gasoline," said Brian Crowe, a DNR energy analyst. "We know that prices have gone up dramatically in recent weeks, but when the refineries come back on-line and hit peak summer production, we will see more product in Iowa, fewer supply issues, and more price stabilization."

United States crude oil stocks rose 2.6 percent in May to 342.2 million barrels, and have remained steady in recent weeks. Stocks are up even though refinery output is down.

On May 16, natural gas was trading at \$7.60/MMBtu, \$0.07 higher than last month, and \$1.52 higher than the price of natural gas at this time last year, a 25 percent increase. Prices are falling across much of the country as warmer weather has become steady in the lower 48 states and supplies grow.

A survey completed by the DNR on May 15 indicated that the average retail price of heating oil in Iowa was \$2.57 per gallon, the same price as last month and \$0.67 higher than the price of heating oil at this time last year. The same survey found that propane was selling for an average of \$1.55 per gallon across the state, \$0.03 higher than a month ago, and \$0.31 higher than the price at this time last year.

10% Ethanol Average Retail Price Per Gallon -- Major Iowa Cities

Self-Serve Ethanol	5/17/07	4/15/07	Difference
Ames	\$ 3.14	\$ 2.70	0.44
Cedar Rapids	\$ 3.18	\$ 2.67	0.51
Council Bluffs	\$ 3.14	\$ 2.67	0.47
Davenport	\$ 3.17	\$ 2.69	0.48
Des Moines	\$ 3.11	\$ 2.70	0.41
Dubuque	\$ 3.14	\$ 2.70	0.44
Fort Dodge	\$ 3.18	\$ 2.71	0.43
Iowa City	\$ 3.21	\$ 2.78	0.43
Sioux City	\$ 3.21	\$ 2.69	0.52
Waterloo	\$ 3.11	\$ 2.70	0.41
Webster City	\$ 3.21	\$ 2.71	0.50
Average Metro Price	\$ 3.16	\$ 2.71	0.46

Source: Oil Price Information Service, www.opisnet.com

Motor Fuels Survey State Average Price Per Gallon

Self-Serve	5/17/07	4/15/07	Difference
Regular Unleaded with 10% Ethanol	\$3.17	\$2.71	\$0.46
Regular Unleaded	\$3.20	\$2.75	\$0.45
Premium Unleaded	\$3.23	\$2.76	\$0.47

Diesel	\$2.85	\$2.92	\$-0.07
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Source: AAA Fuel Gauge Report, www.fuelgaugereport.com

Heating Fuels Survey

Heating Fuel Type	5/15/07	4/12/07	Difference
Natural Gas	\$7.60/MMBTU	\$7.53/MMBTU	+0.07
Propane	\$1.55	\$1.52	+0.03
#2 Heating Oil	\$2.57	\$2.57	No Change

Sources: Wall Street Journal, Iowa Department of Natural Resources